

**DISSOLUTION REPORT**

**OF**

**MAKE TRANSPORTATION INSURANCE, INC.,**  
**A RISK RETENTION GROUP**

**AS OF**

**DECEMBER 31, 2021**

TRINIDAD NAVARRO  
COMMISSIONER



STATE OF DELAWARE  
DEPARTMENT OF INSURANCE

REPORT ON DISSOLUTION EXAMINATION  
OF  
MAKE TRANSPORTATION INSURANCE, INC., A RISK RETENTION GROUP  
AS OF  
DECEMBER 31, 2021

The above-captioned report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the company as reflected in the report.

This report is hereby accepted, adopted and filed as an official record of this Department.

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Trinidad Navarro  
Insurance Commissioner

Dated this 12th day of May, 2022

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February 8, 2022

Honorable Trinidad Navarro  
Delaware Insurance Commissioner  
Delaware Department of Insurance  
1351 W. North Street  
Suite 101  
Dover, DE 19904

Dear Commissioner:

In compliance with instructions and pursuant to statutory provisions contained in Exam Authority 22.901, dated January 10, 2022, a Dissolution Examination has been made of the affairs, financial condition and management of the

**MAKE TRANSPORTATION INSURANCE, INC.,  
A RISK RETENTION GROUP**

hereinafter referred to as MAKE or Company and incorporated under the laws of the State of Delaware. Due to the COVID-19 Pandemic, the examination was conducted offsite. The administrative and home office of the Company is located at 360 Concord Street, Suite 106, Charleston, SC 29401. The report of such review is respectfully submitted herewith.

**SCOPE OF EXAMINATION**

This Dissolution Report is a limited-scope examination and is not intended to communicate all matters of importance for an understanding of the Company's financial condition. The last examination was as of December 31, 2019. This dissolution examination is as of December 31, 2021.

As a result of a management decision, the Company is to be dissolved. Therefore, this examination was to ascertain the following:

- Verify the remaining investment/cash assets of the Company and determine any operating receivables that may exist.
- Ascertain and verify that there are no material liabilities other than residual general operating expenses.
- Review any other documents as needed.

### **HISTORY**

The Company was incorporated in the State of Delaware on March 29, 2006. The purpose and activity of the risk retention group is the assuming and spreading of liability exposures as provided by 18 *Del. C.* §69 “Captive Insurance Companies” and 18 *Del. C.* §80 “Risk Retention Act” of the Delaware Insurance Code and the “U.S. Liability Risk Retention Act of 1986”.

Chapter 65, 15 USCS Section 3901(4)(E) of the Federal Statutes indicate that a “Risk Retention Group” must have “as its owners only persons who compromise the membership of the Risk Retention Group and who are provided insurance by such group.” Therefore, ownership is necessary to obtain insurance coverage from the Company.

The Company’s Certificate of Incorporation authorizes the issuance of 1,000 shares of \$0.01 par value common stock. As of December 31, 2021, the Company had 960 shares issued and outstanding, all held by the Company’s sole shareholder, Sunset Carriers, Inc. (Sunset). Kent Lisenby owns 100% of the shares of Sunset.

The Company’s book of business has been in run-off since June 30, 2018. The Company’s Board of Directors (Board) and sole shareholder, Sunset, approved the dissolution plan on October 29, 2021.

## **PROCEDURES PERFORMED**

Procedures performed for the period January 1, 2020 through December 31, 2021, and subsequently include:

- Review the filed Q3 2021 statutory statement.
- Review the year-end 2021 unaudited statutory financial statements provided by the Company (the Company requested and received an exemption from the Delaware Department of Insurance (Department) for the requirement of filing audited statutory financial statements as of December 31, 2020).
- Review the bank and custodian account statements as of December 31, 2021.
- Review the Board and Stockholder meeting minutes of the Company from January 1, 2020 through December 31, 2021.
- Review the material related-party agreements in effect as of December 31, 2021.
- Review the Actuarial Opinion for the year ended December 31, 2020 (the Company requested and received an exemption from the Department for the requirement of filing an actuarial opinion as of December 31, 2020).
- Confirmation of invested assets as of December 31, 2021, specifically, cash and cash equivalents.

## **SUMMARY CONCLUSIONS**

### Corporate Records

The examiner reviewed the Board and Stockholder meeting minutes of the Company, which contained the approval of the dissolution. The dissolution is contingent upon the approval by the Department.

### Related Parties

Upon approval of the dissolution by the Department, the Company intends to cancel the following related party agreements, which were still in effect as of the dissolution examination date:

*Tax Allocation Agreement*

Effective October 7, 2010, the Company entered into a Tax Allocation Agreement with Sunset. Pursuant to the agreement, each member that is part of the tax allocation agreement shall either pay to or receive its separate tax liability or reimbursable separate tax claim and/or tax credits. Sunset pays and/or receives any federal income tax liabilities and refunds from the Internal Revenue Service.

Custodial Agreement

The Company's investments had been held by Wilmington Trust under a written custodial agreement. However, the Company's custodial account at Wilmington Trust was closed during 2021 and the statement balance was \$0 as of December 31, 2021.

Claims

The Company had no outstanding or open claims as of December 31, 2021.

Balance Sheet

The examiner reviewed the unaudited Financial Statements provided by management as of December 31, 2021. Additionally, a review of the bank statements was made as of December 31, 2021. The aggregate cash and cash equivalent balances of \$2,553,963 consists of \$2,498,497 (money market account) and \$55,466 (operating account), which were confirmed directly with the financial institution, M&T Bank, as of December 31, 2021.

The Company reported \$0 in carried loss reserves and loss adjustment expenses for policies as of December 31, 2021.

**ASSETS, LIABILITIES, AND POLICYHOLDER SURPLUS**

**As of December 31, 2021**

**Assets**

Cash, cash equivalents and short-term investments	\$	2,553,963
Federal income tax recoverable		13,115
Aggregate write-ins for other than invested assets		3,750
Total	\$	<u>2,570,828</u>

**Liabilities**

Other expenses	\$	6,281
Taxes, licenses and fees		5,000
Net deferred tax liability		4,647
Total	\$	<u>15,928</u>

**Policyholder Surplus**

Common capital stock	\$	10
Gross paid in and contributed surplus		1,195,995
Unassigned funds (surplus)		<u>1,358,895</u>
Total	\$	<u>2,554,900</u>
Total Liabilities and Policyholder Surplus	\$	<u>2,570,828</u>

The Company has complied with the dissolution requirements for the Department.

The examination was conducted by the undersigned.

Respectfully Submitted,

*Andrew E. Chiodini*

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Andrew E. Chiodini, CFE  
Examiner-In-Charge  
Department of Insurance  
State of Delaware

I, Andrew Chiodini, hereby verify and attest, under penalty of perjury, that the above is a true and correct copy of the examination report and findings submitted to the Delaware Department of Insurance pursuant to examination authority 22.901.



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Andrew Chiodini, CFE